



State of Washington
PUBLIC DISCLOSURE COMMISSION

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9:30 a.m.
December 2, 2004

MINUTES – SPECIAL MEETING

Evergreen Plaza Building, Room 206
711 Capitol Way South
Olympia, Washington

COMMISSION MEMBERS PRESENT

Michael Connelly, Chair
Jeannette Wood, Vice Chair
Francis Martin, Secretary
Earl Tilly, Member
Jane Noland, Member

STAFF PRESENT

Vicki Rippie, Executive Director
Michael Smith, Chief Technology Officer
Nancy Krier, Senior Counsel
Linda Dalton, Sr. Asst. Attorney General
Ruthann Bryant, Secretary

The special meeting of the Public Disclosure Commission was called to order by Commission Chair Michael Connelly at 9:30 a.m. in the Evergreen Plaza Building, Room 206, Olympia, Washington.

Commissioner Comments

No commissioner comments were expressed.

Citizen Comments/Concerns

No citizen comments or concerns were expressed.

Minutes

Motion 05-042

Moved by Commissioner Martin, seconded by Commissioner Tilly:

**The Commission adopts the minutes
of October 26, 2004, as written.**

The motion passed unanimously.

Enforcement Matters

Report

*John Ladenburg, Pierce Co Executive,
Case #04-440*

Phil Stutzman reported on a complaint filed against Pierce County Executive John Ladenburg concerning alleged violations of RCW 42.17.130 by 1) authorizing the preparation and distribution of two mailings that promoted the passage of Proposition 1; and 2) authorizing that the two mailers be targeted to registered voters.

Staff recommends that the Commission find multiple apparent violations of RCW 42.17 and recommends the matter be referred to the Office of the Attorney General for appropriate action.

David Franta, complainant, encouraged the Commission to refer the matter to the Attorney General.

Attorney Ron Williams, representing Mr. Ladenburg, requested that the case be heard by the Public Disclosure Commission before rendering a decision for referral.

Motion 05-043

Moved by Commissioner Noland, seconded by Commissioner Martin:

In PDC Case #04-440, John Ladenburg, the Commission set the matter for full enforcement hearing.

The motion passed unanimously.

Request for Review

Richard Gilda, Case #05-048

Phil Stutzman reported that a brief enforcement hearing was held on October 26, 2004, in which Mr. Gilda was found in violation of RCW 42.17.240 by failing to timely file the Statement of Financial Affairs and RCW 42.17.040 for failing to timely file the Candidate Registration. He was assessed a penalty of \$200. The forms were filed on August 30, 2004.

Mr. Gilda provided a letter stating that although he does not dispute that the paperwork was filed late,

he experienced several computer problems during his attempts to file and, in his opinion, did not receive the necessary assistance from PDC staff.

Motion 05-044

Moved by Commissioner Noland, seconded by Commissioner Wood:

The Commission review PDC Case #05-048, Richard Gilda.

Voting for: Commissioners Noland and Wood.

Voting against: Commissioners Connelly, Martin and Tilly.

The motion failed.

Advisory Matter

Vicki Rippie reported on criteria to be considered when evaluating reporting modification requests and briefly summarized some standard requests that have been granted previously.

Reporting Modifications

New

*Lori C. Kaiser, Mukilteo City
Council*

Phil Stutzman reported that Ms. Kaiser requests an exemption from identifying the reportable business and other governmental customers of Cray, Inc., a corporation where she is an officer.

Motion 05-045

Moved by Commissioner Martin, seconded by Commissioner Wood:

The Commission grants Lori C. Kaiser the requested reporting modification.

The Commission finds that literal application would cause a manifestly unreasonable hardship on the applicant and that a limited modification would not frustrate the purposes of the act.

The motion passed unanimously.

*William H. Chapman, Member
Interagency Committee for
Outdoor Recreation*

Mr. Stutzman reported that Mr. Chapman requests an exemption from reporting the customers of the law firm of Preston, Gates & Ellis, LLP.

Mr. Stutzman noted that this request is similar to modifications granted to Grace Yuan and Jay Reich who are also partners of the law firm.

Motion 05-046

Moved by Commissioner Tilly, seconded by Commissioner Martin:

The Commission grants William H. Chapman the requested reporting modification.

The Commission finds that literal application would cause a manifestly unreasonable hardship on the applicant and that a limited modification would not frustrate the purposes of the act.

The motion passed unanimously.

Renewal (no change)
*International Brotherhood of Electrical
Workers Local 77 PAC*

Mr. Stutzman reported that the International Brotherhood of Electrical Workers Local 77 PAC requests an exemption from reporting individual contributor's addresses. He noted that the request is for both 2004 and 2005.

Kelly McGuire was present and certified that the information in the request is accurate.

Motion 05-047

Moved by Commissioner Tilly, seconded by Commissioner Martin:

The Commission grants International Brotherhood of Electrical Workers Local 77 PAC the requested reporting modification.

The Commission finds that literal application would cause a manifestly unreasonable hardship on the applicant and that a limited modification would not frustrate the purposes of the act.

The motion passed unanimously.

Rule Making

Doug Ellis briefly summarized draft rule amendments to the brief enforcement penalty schedule rules.

If approved staff will file the CR 102 Proposed Rule-Making notice with the Code Reviser's Office and a public hearing will be scheduled for January 25, 2005.

Motion 05-048

Moved by Commissioner Tilly, seconded by Commissioner Martin:

The Commission approves language for WAC 390-37-160 Statement of financial affairs (F-1) penalty schedule, WAC 390-37-165 Candidate registration statement (C-1)/candidate statement of financial affairs (F-1) penalty schedule, WAC 390-37-170 Lobbyist monthly expense report (L-2) penalty schedule and WAC 390-37-175 Lobbyist employer report (L-3) penalty schedule.

The motion passed unanimously.

Mr. Ellis also discussed upcoming potential rulemaking:

- Amend WAC 390-37-090 Informal Settlement – Cases Resolved by Stipulation prior to an Enforcement Hearing (adjudicative Proceeding), or by other Alternative Dispute Mechanisms.
- Amend WAC 390-37-060 Enforcement procedures – Investigation of complaints – Initiation of hearing (adjudicative proceeding).

- WAC 390-19-030 Electronic Filing – Reporting Threshold.

The Commission directed staff to move forward with the rule making process.

Petition for Disclosure

Karen Copeland reported that the City of North Bend submitted a petition to have candidate's seeking city elective office file campaign finance forms.

Motion 05-049

Moved by Commissioner Connelly, seconded by Commissioner Wood:

Pursuant to RCW 42.17.405(3) the Commission accepts Resolution 1030 from the City of North Bend, recognizes the resolution as a valid action of the North Bend City Council, and orders that all candidates for the City of North Bend elective office file campaign disclosure reports as required by chapter 42.17 RCW, with initial reports due from current candidates on December 16, 2004.

The motion passed unanimously.

Legislation

Vicki Rippie briefly reported on the revised draft bill regarding Electioneering Communications and restoring limitations on uses of party soft money.

Motion 05-050

Moved by Commissioner Noland, seconded by Commissioner Martin:

The Commission approves the draft bill regarding Electioneering Communications as presented.

The motion passed unanimously.

Ms. Rippie also discussed legislation to harmonize primary election law with Initiative 872 (Top two primary candidates advance to the general election) and its impact on the disclosure law.

She recommended proposing changes to the RCW 42.17.020 definition of "Caucus Political Committee" and "Primary." She also discussed proposed language for amending RCW 42.17.510(1).

Motion 05-051

Moved by Commissioner Wood, seconded by Commissioner Martin:

The Commission approve the changes recommended by staff.

The motion passed unanimously.

Staff Reports

Executive Director

Vicki Rippie reported on the allocation of resources for FY 2004 and the annual report. She also noted that current budget status for FY 2005 is on target.

Assistant Director

Karen Copeland reported that the State Auditor's Office has completed its audit and reported no deficient processes.

Phil Stutzman provided a summary of current cases and noted that brief enforcement hearings were held for two L2 non-filers and one F1 non-filer.

Doug Ellis discussed the new online lobbyist directory being developed for use by legislative members and staff during the upcoming legislative session.

Chief Technology Officer

Michael Smith introduced Glenn Briskin of Briskin Consulting. Mr. Briskin was hired by the Department of Information Services Small Agency Client Services to evaluate the IT Division and the ORCA project.

Mr. Briskin summarized his findings and recommendations and discussed best practices to achieve the agency's business objectives.

Senior Counsel

Nancy Krier briefly updated the status of current litigation.

Executive Session

The Commission went into executive session at 12:00 p.m. to discuss pending and potential litigation with legal counsel.

Public Session/Adjournment

The Commission returned to public session at 12:15 p.m. and Commissioner Connelly adjourned the meeting. The next meeting is scheduled for Tuesday, January 25, 2005.

Approved by the Commission 1/25/05